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President Shelly Applauds ASU Economic Impact Study

WINDOW ROCK – Navajo Nation President Ben Shelly applauded a recent study that stated Arizona’s economy could take a \$20 billion hit and lose more than 100,000 jobs if Navajo Generating Station were to close, according to a university study.

The study supports President Shelly’s stance in advocating for the economic importance of NGS and Kayenta Mine.

The L. William Seidman Research Institute at the W.P. Carney School of Business at Arizona State University released an economic impact study entitled “Navajo Generating Station and Kayenta Mine: An Economic Impact” that examined the economic contributions the 2,250 megawatt Navajo Generating Station and Kayenta Mine made to the state.

The power plant and the mine are both on the Navajo Nation and employ mostly Navajo workers.

Using a table to break down the calculations, the table “shows that both operations cumulatively account for 112,720 job years during 2011-2044. This equates to almost \$20.5 billion in real (gross state product), approximately \$11.2 billion in real disposable income, and just under \$680 million in adjusted state tax revenues,” according to the study.

“I’m happy this study was released. We have known for a long time Navajo Generating Station and the Kayenta Mine had larger economic impacts than just locally. Now we have evidence to prove what we thought,” President Shelly said.

Navajo Generating Station has come under stress recently from proposed rule changes from the U.S. Environmental Protection Agency. The EPA released the Mercury and Air Toxins Standards late last year and proposed emission rule changes to create less haze for area national parks earlier in the year.

To complicate matters worse for Navajo Generating Station, the proposed rule changes regarding haze would force the plant to install new emissions controls that could cost more than \$1.1 billion.

Salt River Project, primary manager of the plant, has stated installing such technology could force the plant to close, leaving nearly 1,000 people, mostly Navajo, out of work.

According to the study, Navajo Generating Station employs nearly 540 people and Kayenta Mine, who supplies coal to the plant, employs about 440 people. The mine and the generating station are both located on the Navajo Nation.

The Navajo Nation would also lose millions of dollars in leasing and royalty fees. The Navajo Nation receives about \$25 million a year from the power plant and the mine in royalties and lease fees.

However, more concrete projected financial impacts couldn't be determined since the Navajo Nation and Salt River Project are in negotiating a new lease and lease fees. The current lease is set to expire in 2019.

Salt River Project is also in negotiations for a coal supply agreement with Peabody Coal. The current agreement expires in 2019.

Another study focusing more on the financial impacts the plant and mine closure would experience is being developed, according to the Arizona State University study.

However, for the Navajo Nation, President Shelly said the jobs that would be lost from the power plant closing would be detrimental for the people living in the area.

"This is just more than a job for these people, it's a form of self sufficiency. For a long time, we have talked about becoming a self sufficient tribal nation, these people who work at the power plant and the mine are living examples of self sufficiency," said President Shelly.

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